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BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE, AT NASHVILLE

TENNESSEE SECURITIES DIVISION)

Petitioner,)

vs.)

SCOTT D. PATTERSON)

Respondent.)

Docket No.: 12.06-080405J

File No.: 05-020

CONSENT ORDER

The Tennessee Securities Division (the "Division"), and Scott D. Patterson (hereinafter occasionally referred to as "Patterson") agree to the entry of this Consent Order in accordance with T.C.A. § 48-2-116 of the Tennessee Securities Act of 1980, as amended, T.C.A. §§ 48-2-101 et seq. (the "Act"), which states that the Commissioner from time to time may make such orders as are necessary to carry out the provisions of the Act.

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. This Consent Order is executed by Scott D. Patterson for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should the

Consent Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of the Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. Scott D. Patterson fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against Scott D. Patterson for acts or omissions not specifically addressed in this Consent Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed, nor does it preclude additional proceedings by the Commissioner against Scott D. Patterson based upon these facts or transactions herein addressed by some other Division of the Department of Commerce and Insurance.

4. Scott D. Patterson expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of the Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

5. Scott D. Patterson fully understands that this Consent Order must be disclosed on the Form U-4 in the WebCRD.

FINDINGS OF FACT

1. The Tennessee Securities Act of 1980, as amended, T.C.A. § 48-2-101 et seq. (the "Act"), places the responsibility for the administration of the Act on the Commissioner of Commerce and Insurance (the "Commissioner"). The Division is the lawful agent through which the Commissioner discharges this responsibility. T.C.A. § 48-2-115.

2. Scott D. Patterson ("Patterson") (CRD 1395972) was registered with the Division as an agent of Ameriprise Financial Services, Inc. formerly known as American Express Financial Services (CRD 6363).

3. Patterson was terminated from employment by Ameriprise Financial Services, Inc. ("Ameriprise") on September 6, 2005. On that same day, Ameriprise filed a notice to terminate Patterson's registration in WebCRD.

4. Ameriprise is a broker-dealer that is registered with the Division pursuant to the Act. Ameriprise maintains its principal business address at 707 2nd Avenue South, Minneapolis, Minnesota 55402.

5. Katherine Nichols ("Ms. Nichols") became a customer of Ameriprise and Patterson in 1995. Ms. Nichols established a trust to hold her assets. She passed away on June 23, 2003, leaving her disabled son, Kenneth Nichols, and grandchildren as the beneficiaries of the trust.

6. Ameriprise has no record of being notified of Ms. Nichols death.

7. Subsequent to Ms. Nichols death, documents were filed with Ameriprise by Patterson that contained a signature alleged to have been the signature of Ms. Nichols. The documents instructed the broker-dealer to make payments from the brokerage account, and were also signed by Patterson as the agent.

8. Patterson admitted during his deposition that he signed Mrs. Nichols' name on the documents submitted to Ameriprise after her death.

9. On July 28, 2006 the NASD entered an order accepting an offer of settlement from Mr. Patterson. The terms of that settlement included the barring of Mr. Patterson from association with any NASD member firm.

CONCLUSIONS OF LAW

10. Pursuant to Tennessee Code Annotated § 48-2-115(a), the responsibility for the administration of the Act is vested in the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

11. T.C.A. § 48-2-112(a)(2)(G) states, in pertinent part, that the Commissioner by order may deny, suspend, or revoke any registration under this part if he finds that the order is in the public interest, necessary for the protection of investors, and if he finds that the applicant or registrant, or in the case of broker-dealer or investment adviser, any officer, director, or any person occupying a similar status or performing similar functions has engaged in dishonest or unethical practices in the securities business.

12. Tennessee Securities Rule 0780-4-3-.02(6)(b)(2) states in pertinent part that it shall be deemed as a “dishonest or unethical business practice” by an agent under T.C.A. §48-2-112(a)(2)(G) to act as a custodian for money, securities or to execute stock power of a customer.

13. Tennessee Securities Rule 0780-4-3-.02(6)(b)(3) states in pertinent part that it shall be deemed as a “dishonest or unethical business practice” by an agent under T.C.A. §48-2-112(a)(2)(G) to effect securities transactions with a customer not recorded on the regular books or records of the broker-dealer which the agent represents, unless the transactions are disclosed to, and authorized in writing by, the broker-dealer prior to the execution of the transactions.

14. Tennessee Securities Rule 0780-4-3-.02(6)(b)(9) states in pertinent part that it shall be deemed as a “dishonest or unethical business practice” by an agent under

T.C.A. §48-2-112(a)(2)(G) to execute a transaction on behalf of a customer without authority to do so.

15. Tennessee Securities Rule 0780-4-3-.02(6)(b)(17) states in pertinent part that it shall be deemed as a “dishonest or unethical business practice” by an agent under T.C.A. §48-2-112(a)(2)(G) to violate any rule of a national securities exchange or national securities dealers association of which the agent is an associated person with respect to any customer, transaction or business in this state.

16. The averments in paragraphs 2 and 9 of this Consent Order, constitute acts by Patterson that would provide grounds under T.C.A. § 48-2-112(a)(2)(G) for the entry of an order of sanctions against the broker-dealer.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and Scott D. Patterson’s waiver of his rights to a hearing and appeal under the Tennessee Securities Act and Tennessee’s Uniform Administrative Procedures Act, T.C.A. § 4-5-101 et seq., and the Respondent’s admission of jurisdiction of the Commissioner, the Commissioner finds that Scott D. Patterson, for the purpose of settling this matter, admits the matters herein, has agreed to the entry of this Order and that the following order is appropriate, in the public interest and necessary for the protection of investors.

IT IS ORDERED, pursuant to T.C.A. § 48-2-116(a) of the Tennessee Securities Act that:

1. Scott D. Patterson shall fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder; and

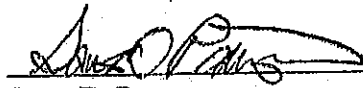
2. The agent registration held by the Respondent, Scott D. Patterson, is hereby **REVOKED**.

IT IS ORDERED, that this Order represents the complete and final resolution of, and discharge with respect to all administrative and civil claims, demands, actions and causes of action by the Commissioner against Scott D. Patterson for all violations of the Act alleged by the Tennessee Securities Division to have occurred during the course of his performance as the Ameriprise agent assigned to the Katherine Nichols account.

This Consent Order is in the public interest and in the best interest of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, Scott D. Patterson affirmatively states that he has freely agreed to the entry of this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

ENTERED this 7th day of April, 2008

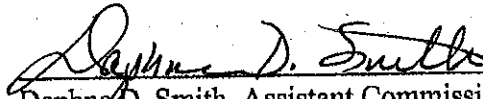
Leslie A. Newman
Leslie A. Newman, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

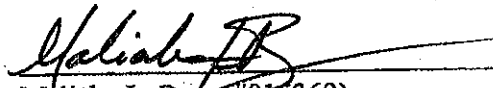
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